

The
Management
University
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POSTGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF MASTER OF BUSINESS ADMINISTRATION

MBA 504: SUPPLY CHAIN MANAGEMENT

DATE: 5TH APRIL 2017

DURATION: 2 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

DARDEN'S GLOBAL SUPPLY CHAINS

Darden Restaurants owner of popular brands such as Olive Garden and Red Lobster, requires unique supply chains to serve more than 300 million meals annually. Darden's strategy is operations excellence and senior VP Jim Lawrence's task is to ensure competitive advantage via Darden's supply chains. For a firm with purchases exceeding \$1.5 billion, managing the supply chains is a complex and challenging task.

Darden, like other casual dining restaurants, has unique supply chains that reflect its menu options. Darden's supply chains are rather shallow, often having just one tier of suppliers. But it has four distinct supply chains.

First, "smallware" is a restaurant industry term for items such as linens, dishes, tableware and kitchenware, and silverware. These are purchased, with Darden taking title as they are received at the Darden District Distribution (DDD) warehouse in Orlando Florida. From this single warehouse, smallware items are shipped via common carrier (trucking companies) to Olive Garden, Red Lobster, Bahama Breeze, and Seasons 52 restaurants.

Second, frozen, dry, and canned food products are handled economically by Darden's 11 distribution centres in North America, which are managed by major U.S food distributors, such as MBM, Maines, and Sygma. This is Darden's second supply line.

Third, the fresh food supply chain (not frozen and not canned), where product life measured in days, includes dairy products, produce, and meat. This supply chain is B2B, where restaurant managers directly place orders with a preselected group of independent suppliers.

Fourth, Darden's worldwide seafood supply chain is the final link. Here Darden has developed independent suppliers of salmon, shrimp, tilapia, scallops, and other fresh fish that are source inspected by Darden's overseas representatives to ensure quality. These fresh products are flown to the US and shipped to 16 distributors, with 22 locations, for quick delivery to the restaurants. With suppliers in 35 countries, Darden must be on the cutting edge when it comes to collaboration, partnering, communication, and food safety. It does this with heavy travel schedule for purchasing and quality control personnel, native-speaking employees onsite, and aggressive communication. Communication is a critical element; Darden tries to

develop as much forecasting transparency as possible. "Point of sale (POS) terminals," says Lawrence, "feed actual sales every night to suppliers."

Required

- a) Explain the advantages of each of Darden's four supply chains? (8 marks)
- b) Explain the complications of having four supply chains. (6 marks)
- c) Where would you expect ownership/title to change in each of Darden's four supply chains. (6 marks)
- d) Discuss how Darden's four supply chains compare with those of other firms, such as Dell or an automobile manufacturer? Why do the differences exist and how are they addressed. (10 marks)

QUESTION TWO

- a) Using appropriate industry examples analyse green supply chain management using the life cycle analysis-approach. (5 marks)
- b) Discuss FIVE challenges organisations encounter in trying to embrace green supply chain management. (10marks)

QUESTION THREE

Amazon.com, Peapod, Dell, and many furniture manufacturers use push-pull inventory management strategies. Discuss the pros and cons of each of the strategies.

(15 marks)

QUESTION FOUR

- a) With reference to a specific industry/ organisation or sector discuss how leveraging on Information Technology can help create competitive advantage. (8 marks)
- b) Discuss the distribution strategies that a local company dealing with Fast Moving Consumer Goods (FMCG) can use to optimise on their costs and achieve customer satisfaction. (7 marks)

